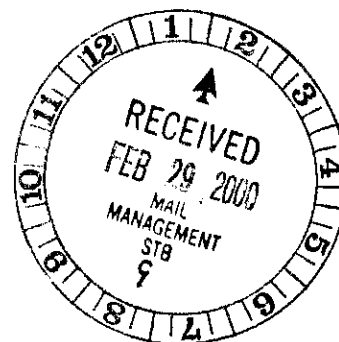


February 28, 2000

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Re: Public Views On Major Rail Consolidations (STB Ex Parte No. 582)

Mr. Vernon A. Williams, Secretary  
Surface Transportation Board  
Office of the Secretary  
Case Control Unit  
Attn: STB Ex Parte No. 582  
1925 K Street N.W.  
Washington, DC 20423-0001

Dear Secretary Williams:

Attached and enclosed you will find the requested original and 10 copies of my written comments. Also enclosed is the electronic copy requested (Word 2000).

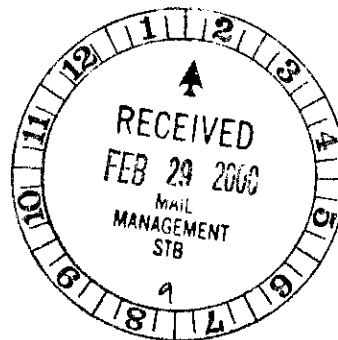
Respectfully Submitted,

A handwritten signature in cursive script that reads "Scott W. Cantonwine".

Scott W. Cantonwine

Submitted by Scott W. Cantonwine  
President/CEO  
Cascade Warehouse Company  
1625 Front Street Northeast  
Salem, OR 97303-6951

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BEFORE THE SURFACE TRANSPORTATION BOARD

EXPARTE NO. 582

PUBLIC VIEWS ON MAJOR RAIL CONSOLIDATIONS

Good day! My name is Scott Cantonwine, I am the President and Chief Executive Officer of Cascade Warehouse Company, Inc. I have held this position for six years and have been with the company for nearly 15 years. I am a past President of the Pacific Northwest Association of Rail shippers and the Transload Distribution Association.

I want to thank the Board for the opportunity to provide my comments and views on the railroad industry in North America.

Cascade Warehouse is a significant user of rail services. We operate four lumber transload and distribution facilities in the western United States. Two operations in Oregon and one in Washington State have access to both the Burlington Northern Santa Fe and Union Pacific. Cascade Warehouse's Las Vegas, Nevada reload is exclusively served by the Union Pacific.

Cascade Warehouse has been in operation since 1958 as a building materials distributor, changing its focus to transloading after the deregulation of railroads transpired. Cascade Warehouse provides rail

transportation services for both forest products wholesalers and local lumber manufacturers, transporting building materials nationwide.

Cascade Warehouse paid nearly 10 million dollars in rail freight in 1999 with that figure expected to increase 10 percent for the year 2000. A primary market for Cascade Warehouse is the northeastern United States where we have utilized all carriers.

Cascade Warehouse controls a fleet of 350 lumber products related railcars. We have made a significant capital investment ourselves to shipping by rail. Any future improvements to the rail industry must focus on service enhancements and equipment utilization.

Historically Cascade Warehouse has supported all railroad mergers, acquisitions and consolidations (UP/SP included). The common theme that has made our company an advocate of prior and future amalgamations is the health of the overall industry.

The issue currently before the Board, Public Views On Major Rail Consolidations, comes perilously close to denying the existing railroads the ability to participate in a commercial landscape similar to the nations other industries.

From my perspective, a strong healthy rail industry is essential to my business and to the economic health of our country and indeed North America. In today's shipping world, competition is a two-phased exercise. One segment pits railroads against each other for existing rail customers, the second has railroads vying against other modes of transport. The Board cannot become overly preoccupied with mythical shipper concerns and allow air cargo, truck commerce and water traffic to erode overall railroad market share.

Today our rail industry has fewer participants but they are large, financially strong, commercially viable businesses that can and are delivering benefits to shippers and to the public.

The ability for railroads to maintain or grow their book of business will be predicated on consistent service. If they are able to utilize their resources to construct a network of seamless interchanges and increase the distance of single line capacity the shipper will be the ultimate beneficiary. If railroads are hamstrung and not given the tools to compete equitably with their modal competitors the shippers will be the ultimate loser.

I know that the Board has a thorough process and has developed considerable expertise for considering and evaluating rail mergers. I urge the Board to use its well-developed process, to consider the BNSF/CN combination application without delay. This process will determine if there are public benefits to be obtained. I have every confidence the Board will agree with me that the BNSF/CN consolidation will deliver substantial public good that should be made available to shippers and that public as soon as possible.

There is no need to delay the BNSF/CN application because of speculative downstream concerns. There may be in time, two competing transcontinental railroads. I don't know. I do know that a large railroad, which can carry my goods from one side of the continent to the other without having to interchange the cars, will ultimately shorten my transit time and reduce my costs. It will also extend the life of my fleet and potentially reduce the onboard-damage to the goods. I would like to realize those benefits sooner than later.

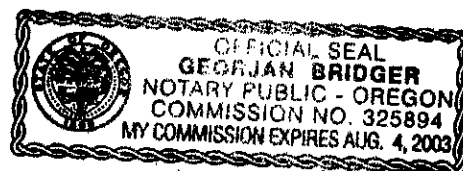
I am confident too that the Board has the power to ensure that the commitments and promises that BNSF and CN make are carried out. Attempting to model or speculate potential "downstream" effects defeats the principles established and in place to deal with mergers as they come before the Board. The same parameters of public good, service improvements and competitive benefits should be used to judge any merger. This is no time to attempt a rewrite of existing precedent. I would urge the Board to use its process to consider the BNSF/CN combination application without delay and make the determination whether it will result in benefits to shippers and the public.

Thank you again for this opportunity to make my views known to you. I would be pleased to answer any questions that you might have.

Dated this 25<sup>th</sup> day of February, 2000

*Scott W. Cantonwine*

Cascade Warehouse  
Company  
1625 Front Street  
Northeast  
Salem, OR 97303-6951  
Submitted by Scott W.  
Cantonwine  
President/CEO



*Georjan Bridger*